HUMAN EVENTS

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News Section *Printed in Two Sections*

Strategy of Decisions: Within the past 48 hours, mail from the constituencies, piling up in the offices of members of Congress, reflects grave concern over the Supreme Court's decision of last Monday. The Court, in effect, elbowed the 48 states out of the field of fighting subversion and awarded the Federal Government dominance in that field. Expressions of dismay at this development have come from all over the Union — 42 states of which have their own anti-subversive laws.

Actually, Chief Justice Warren's majority decision has repercussions far beyond the subject of anti-subversive legislation and has aroused bitter hostility among those who have been long fighting the battle of state's rights against centralized government pretensions in Washington. Adverse reactions sprang not only from the deep South states which are at loggerheads with the Supreme Court on desegregation, but also from other sections — from New Hampshire, where Attorney General Wyman of that GOP state described the Court decision as a "body blow to the twin causes of anti-Communism and state's rights"; and from Texas, resentful of the high Court's "legislation" on Federal controls of natural gas rates.

This week's Court decision has accelerated an already mounting wave of unrest throughout the country over the attempt of the Supreme Court to "legislate" and to arrogate to the Federal Government power which many feel to be the province of the states. And this mounting tide of public disapproval has produced cries of "Let's have a law to stop this!"

As a matter of fact, such a law is already on the spike of the House of Representatives, offered to that body as HR3—described to HUMAN EVENTS readers on March 10 as follows: "the bill provides that where the Federal government legislates in any area that is also the subject of state legislation, the state law shall not be nullified unless the Federal statute specifically so provides, or the two statutes are so inconsistent, that they could not stand together." Additionally, HUMAN EVENTS said that HR3, sponsored in the House by Howard Smith (Va.) and in the Senate by McClellan (Ark.), "is designed to put a brake upon the exclusive control by the Federal government of fields in which states wish to pass legislation. The bill's scope is wide — including fields of legislation against tyrannical labor practices, etc."

Observers now speculate on whether the Court decision, coming at this moment, might serve to crystallize a political movement of a state's rights character out of diverse reactions from developments in the fields of desegregation, labor, Federal control of natural resources and of subversive activities.

In any case, the stage is set for a big conflict. It is said on Capitol Hill that Congressman Howard Smith had anticipated the Supreme Court decision, had framed his HR3 with this in view, had withheld publicity from the measure until the time was ripe. That time has now arrived — it is pointed out — and hearings are now being scheduled for an early date and a counterbarrage from the labor and liberal lobbies is expected daily.

Not Merely Gossip: Flash — the groundwork for a Southern break with the Democratic Party after the Convention in Chicago next August is being laid now. The Democratic Party's organizations of most of the Southern states are preparing to "recess" (not adjourn) their state conventions, so that they can reconvene quickly after the National Convention in August — obviously to organize a sectional party, if the Northern liberals at the Convention defy Southern ideas on integration. These "recess" decisions down South are recog-

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nized by Washington political observers as certain indications that the Southerners are deadly serious about the prospect of revolt within the Democratic Party.

● Reports of the break of the left-wing Non-Partisan League of North Dakota with the Republican Party of that state suggest that the League, long an integral part of the North Dakota GOP, may take several Republican state leaders into the Democratic fold. (All this is considered part of the farm revolt.) In Washington, observers on Capitol Hill speculate on what Senator "Wild Bill" Langer of North Dakota will do about all this. Langer has long been a power in the Non-Partisan League. He also possesses high seniority in the Republican Party in the U.S. Senate — being ranking member of that body's Judiciary Committee. Will Langer bolt to the Democrats? Observers say — yes, for a price. The price — according to this speculation — will be a promise by the Democrats to give Langer the chairmanship of the Senate Judiciary Committee, if he becomes a Democrat.

● Start of the committee to investigate lobbies awaits the end of the Easter recess. Meanwhile, old hands under the Capitol Dome recall that this is not the only such committee authorized in recent years. Under the Truman regime, the late Senator Kilgore, a left-wing Democrat, prompted by some of his "liberal" advisers, sought creation of such a committee. He even persuaded the Rules Committee (which passes on such matters) to give him effective consent and promise of a clearance for appropriations. At the last moment, however, he sent one of his staff to the Records Room of the Capitol to get a list of lobbyists and what they had spent — of the "minions of Big Business and their filthy lucre." (Such information is on public file in the Capitol.) When the staff member returned with full data, Kilgore suffered quite a shock. He found that some of the biggest lobbyist organizations and lobbyists were under the names of labor unions and "liberal" groups. At this discovery, he abandoned the project.

Bricker Amendment: An appeal to supporters of the Bricker amendment to close ranks and to back the new Dirksen-Bricker version of the famous proposal to regulate "treaty law" has come from Frank E. Holman, past president of the American Bar Association, who is known as the "legal father" of the long controversial Bricker amendment. Under his signature (Frank E. Holman, Hoge Building, Seattle, Washington), the famous lawyer endorses the new and shorter version which is now before the Senate and says, "We must not lose the great opportunity of victory at this session of Congress by showing any dissension or differences of opinion in our own ranks."

Holman, in his published release, lauds the new first section of the present version of the Bricker amendment which reads as follows: "The first section of the new text is in the identical language of the first provision of the original American Bar Association text, approved by the House of Delegates in February, 1952. It is, in my opinion, a stronger text than the wording of Section 1 of Senator Bricker's resolution of August 5, 1954, which required that a provision of a treaty or other international agreement should not conflict with the Constitution *generally* and must be made in pursuance thereof."

Holman, in his statement, points out that the "internationalists," particularly the *New York Times* and *Washington Post*, have been attacking the new version. He quotes from their criticisms and says, "it is apparent from the foregoing that those who have always opposed the Bricker amendment see in the new text an effective preservation of Constitutional supremacy in this country and, therefore, do not like it."

The former president of the American Bar Association calls on Americans to write "your Senators and Congressmen and the high officers of Government and remind them that their vote and their attitude on the proposed amendment is to be made an issue at the polls next November. . . . Let us make 1956 a Year of Victory. Sincerely, Frank E. Holman."

Teamsters' Troubles: The freewheeling International Brotherhood of Teamsters, faced with the threat of possible expulsion from the AFL-CIO, has backed down on one relatively minor phase of its move to take over the racket-ridden International Longshoremen's Association. But observers are

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highly skeptical of announced plans to "clean up" the Teamsters Union.

The backing down and the "clean up" announcement both came from last week's meeting in Honolulu of the Union's International Executive Board, in which the star performers were president Dave Beck and vice president James R. Hoffa, who (as reported in the article "Highway Robbery" in the March 2 HUMAN EVENTS) is expected to succeed Beck in the not too distant future.

Reportedly, at Beck's insistence, Hoffa, who has been leading the ILA take-over move, agreed to abandon a planned $400,000 loan to the ILA to enable it to pay up accumulated debts; but the debts apparently are not pressing, and there have been no vocal objections from the ILA. Nothing has been said about abandoning other phases of the agreement, reached by Hoffa with the ILA, whereby it would cooperate with the Teamsters in such matters as organizational drives and collective bargaining, which was Hoffa's main objective all along.

As for Beck's promise of an immediate campaign to rid the Teamsters of racketeers and gangsters, close followers of the union movement say they have heard that one before. They'll believe it when they see it actually happen. They put somewhat more trust in the Federal grand jury probes, now under way, into operations of various Teamsters locals.

On The (Red) Party Line: With its campaign against Mississippi's Senator James O. Eastland still in full swing after some months of steam-gathering, the Communist *Daily Worker* now is opening up on a new target — Republican Representative Ralph W. Gwinn, presently serving his sixth term as congressman from New York's suburban 27th District embracing Putnam County and parts of Westchester County.

Gwinn has become widely known as a forthright advocate of the traditional American free enterprise system and an implacable opponent of all moves toward socialism and one-worldism, thus meriting the condemnation not only of the Reds, but of "liberals" in general. The *Daily Worker*, in what many observers regard as a priceless recommendation, says Gwinn "has chalked up a record consistent with his reactionary philosophy."

The New Yorker this year faces primary opposition which, according to reports from the scene, may cause him some trouble. It comes from Christian H. Armbruster, a 1952 organizer of the Westchester Citizens for Eisenhower Committee, who describes himself as a liberal Republican and now is serving his fourth term on the Yonkers Board of Supervisors. Announcing his candidacy last month, he said his decision stemmed from Gwinn's outspoken opposition to many Eisenhower Administration policies. Armbruster did not say it, but Washington observers know that that opposition to some Administration policies and programs results from Gwinn's conviction that they would simply take the United States a step further down the road toward some form of welfare statism and one-worldism.

The *Daily Worker*, apparently finding it impossible to go so far as to espouse any Republican candidacy, does not give any flat endorsement to Armbruster. However, the tenor of its story is so violently anti-Gwinn that it clearly conveys instructions to Party members and fellow-travellers that they should support Armbruster to defeat Gwinn.

Troubled Ladies: The League of Women Voters, long threatened with internal rebellion over liberal and internationalist policies dictated by its national leadership, may have stubbed its toes and ignited the spark of revolt over the segregation issue.

The president, three vice presidents, the treasurer, the secretary and five directors of the League's Atlanta, Georgia, chapter, have resigned in protest against the refusal of a unit meeting to adopt a statement specifically continuing the Negro exclusion policy of the Atlanta League's Board of Directors.

At first glance, the incident might appear to be purely a local row. But Atlanta sources report strong suspicions that the unit meeting in question may have been "packed" with liberal supporters of the LWV's national leadership, and that that

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leadership may even have spurred its followers to "pack" the meeting to defeat the segregation move. The unit, sixth largest in the entire country, has a membership estimated at 1,100, but only about one-tenth were present for the meeting; the anti-segregation vote was 57 to 42.

A joint statement by the resigned officers made clear that the vote was the major reason for their action; but they also cited other reasons, including "a serious division with the League itself as to its basic objectives" and an "increasing centralization of authority on the national level." (See HUMAN EVENTS' Article Section of October 22, 1955, "The Ladies Won't Knit — An Analysis of the League of Women Voters.") The words echo thoughts expressed by thousands of LWV members in all parts of the country, who say the League's national leadership is making it virtually impossible for any local chapter to have its thoughts and opinions expressed in any League forum. They say the leadership is imposing its own liberal and internationalist ideas on all members, regardless of their individual views.

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David Franke, student at Del Mar College, Corpus Christi, Texas, is a member of the Intercollegiate Society of Individualists and has been receiving HUMAN EVENTS for the past two years. He has been actively combating the collectivism of some of his professors with editorials like the following which he wrote for the college publication, of which he will be editor next year.

The editorial follows:

"Major William E. Mayer, a foremost Army psychiatrist, has spent four years studying Korean 'brain washing.' In an interview with *U. S. News & World Report,* he says that one-third of the American soldiers captured in Korea yielded to brain-washing without being subjected to physical torture. These soldiers were not traitors, but they had such little faith in America and its ideals that they became 'progressives,' or sympathizers and collaborators of the Communists.

"Maj. Mayer is shocked by his findings, but he need not be. The brain-washing of those American soldiers did not begin in North Korea, for if they are like most young Americans, the brain-washing began in elementary school, when they entered a 'progressive' school system. Many of the faults of American soldiers are in part a result of the values inculcated in minds by 'progressive' educators.

"Maj. Mayer listed nine Communist evaluations of the American soldier. Among the more significant: The American soldier seems to have weak loyalties, he has hazy concepts of what is right and wrong, he feels insecure when alone, and he has little knowledge of American political history or freedom.

"Compare those faults with the 'progressive' values taught in many schools. The progressive does not believe in imposing the 'stifling authoritarianism' of proven values on the child. Everything is in constant change, including our values of right and good, so the child is taught to 'adjust to his environment.' This simply means that the student has never been taught any real values, so to fill the gap in his mind he conforms to the fashionable prejudices of the day."

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The Declaration of Independence opens: "When in the course of HUMAN EVENTS . . ."

FRANK C. HANIGHEN, *Editor and Publisher* JAMES L. WICK, *Executive Publisher*
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Article Section

THE WAR WE ARE LOSING

The Struggle With Inflation

By HOWARD E. BUFFETT

SOME YEARS AGO two Indians watched the building of a lighthouse along the rock-bound Massachusetts coast. One foggy day after the lighthouse was finished, the Indians came down to see it in operation.

"Ugh," grunted one of the redskins to the other, "paleface lighthouse no good. Light shines, bell rings, horn blows, but fog she come in just the same."

A similar judgment could be pronounced against those of us who have been sounding the alarm against inflation. We have used exposition, warnings, and prophecy fulfilled by events, all to no avail. Despite our horn-blowing and bell-ringing, inflation she has come in just the same — concealed by continuous fog and confusion.

However, those sounding the alarm on inflation buck a condition directly opposite to that provided in the lighthouse story. Lighthouses are a governmental warning system against maritime dangers. Inflation is a danger created and fueled by government, which uses its gigantic powers to conceal or postpone the damage that results. So its advance continues unchecked, despite sporadic private resistance.

A glance backward to 1947 illustrates the erosion that has taken place. That year William McChesney Martin, Jr., now Chairman of the Board of Governors of the Federal Reserve System, was president of the government-owned Export-Import Bank. When he appeared on Bank legislation before the House Banking and Currency Committee, of which I was a member, the following exchange took place:

Mr. Buffet. "Where we loaned (abroad) somewhere between 3 and 8 billion dollars in the 1920's, in the last 2 years we have loaned 15 or 20 billions. So we are going down the road toward exhaustion of credit much faster than we did in the Twenties. . . ."

Mr. Martin. "In terms of lending I am perfectly willing to say that I think we are in the danger zone now."

Federal Reserve Chairman Martin's 1947 appraisal makes strange reading now. Subsequent developments certainly indicate one of two things. Either Mr. Martin was radically wrong in his 1947 judgment, or he was right. If we were, as Mr. Martin declared, "in the danger zone now" back in 1947, where are we today?

This incident serves to point up how the years slip by during the deadly progress of inflation. Since 1947, we have had nine

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more years of expanding credit and reckless spending. Always, next year or the year after, our finances are going to be put into good order, but the hope keeps fading further and further into the dim and distant future.

But today's optimist replies, "So what? The American people never had it so good. We have peace, prosperity, and everybody's working at high wages, what more do you want? And besides, the budget is about to be balanced, isn't it? Probably will be if Congress doesn't get election jitters and cut taxes too quickly. Quit the talk about economic laws — we're living in a new era, and with science conquering space, not even the sky is the limit any longer."

Shallow as this smug and Pollyannish attitude may be, there is no gainsaying its popular appeal and apparent acceptance by millions of American voters. The ostensible accuracy of this conclusion is supported by the determined way in which politicians of both parties direct their appeal to what is called the "belly-voter" level.

Perhaps the booming economic situation in America today is comparable with the military situation that existed in the Spring of 1945. Then, too, the goose hung high. Total victory was seemingly within our grasp and a peaceful world was about to be realized.

The flaw in that picture was that by the policy of Unconditional Surrender, plus some lesser blunders, the situation we expected to achieve had been corrupted. The moral nihilism of unconditional surrender had rotted the fruits of victory before we picked them.

ARE OUR RULERS today making a similar ghastly blunder? Has the so-called Cold War become an obsession so politically glamorous that it blinds those in high places to our economic illness — a peril as deadly as any military might that may exist in the Russian colossus?

Unpleasant as these questions may be, they deserve careful and continuous attention. The paramount economic fact of our time is the deterioration of the dollar. The fact that public concern over rising prices is currently dampened by lower food prices does not alter the basic situation. For despite the repeated assurances that inflation is now under control, the truth is otherwise. The evidence is all about us.

For example, let us look at Federal spending. For the 1947-48 fiscal year, back when William McC. Martin testified we were "in the danger zone now," Federal expenditures were under $34 billions. During the year ended June 30, 1955, they were $64.5 billions. The increase is almost 90 per cent.

Bringing the comparison on government spending somewhat closer, the statistics are equally unsatisfactory. In fiscal 1951, which included a full year of the Korean War, government expenditures were $44.6 billions. Now in the 1954-55 year of "peace and prosperity" we have spent $64.5 billions.

Of similar interest is inspection of a recent daily Treasury statement. For the

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period from July 1, 1955, to March 1, 1956, Treasury receipts were $4.5 billions ahead of the preceding year. The increased receipts reflect the business boom. But the outgo figures during the same period make a mockery out of recent boasts about economy. Instead of lower spending, Federal expenditures have increased by $2.4 billions during this same eight months. And more increases are ahead.

The standard answer is, of course, that this high rate of spending is required by the so-called "Cold War." That glib rejoinder is calculated to overwhelm all resistance to the continuing dollar outpour. Certainly as of now, apparent popular acceptance of that claim approaches 100 per cent. For nowhere in America is there effective opposition to global spending, present or prospective.

After the military victory in World War II, it was not long before evidence began to be uncovered, proving that the Unconditional Surrender scheme, always considered as American-initiated, had actually been conceived in the Kremlin, and was planted on our leaders.

That revelation was a bitter pill for Americans to swallow. Especially when one recognizes that today's mad armament race is a direct result of that policy.

From that experience you would expect our rulers to be wary of another Russian trap. Yet it seems entirely possible, even probable, that our rulers have again unknowingly embraced a Russian-planned tactic. For historically the decisive weapon in the arsenal of Marxism has been debauchery of the currency.

Consider the boast by Communist K. Shmelev in his book, *Soviet Policy in Public Finance*:

"In the archives of the great proletarian revolution, alongside the modern guns, rifles and machines guns which mowed down the enemies of the proletariat, an honor place will be occupied by that machine gun of the People's Commissariat of Finance which attacked the bourgeois regime in its rear — its monetary system — by converting the bourgeois economic law of money circulation into a means of destruction of that same regime, and into a source of financing the revolution."

Also consider the warning by the one American statesman who has demonstrated competence to cope with our adversaries in the Kremlin:

"And as we continue these wastrel policies without promise or hope of regaining normalcy . . . it becomes increasingly clear that the pattern of American fiscal policy is being brought into consonance with the Karl Marx Communist theory. . . . Such policy . . . is leading us toward a Communist state with as dreadful certainty as though the leaders of the Kremlin themselves were charting our course." — General Douglas MacArthur before the Mississippi State Legislature in 1952.

AMERICA does not have to follow a financial course charted for us by the Kremlin. But could we turn back now? The answer is "Yes." Whether we will, is another question. Certainly every day that passes while those in positions of responsi-

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bility ignore or dodge honest discussion of this peril brings disaster that much closer.

In 1951, Dr. Edwin G. Nourse, noted presidential economic advisor, declared:

> "The greatest thing we have to fear in the economy of the United States is a spreading fear as to the future of the dollar."

Speaking from the grass roots in the midlands, I am constrained to report that fear of the future of the dollar may be spreading. Here I am not talking about the shrewd and sophisticated people who have long been investing their funds in tangibles of all kinds. Instead it is that signs of uneasiness are appearing among the great mass of patriotic and trusting citizens, who so far have remained unshaken in their faith in the financial integrity of their government.

This trend is reflected in the strange spectacle of farm land selling at the highest prices in history, while farm income has fallen sharply. It is seen in the appearance of new and unfamiliar faces in investment and stock brokerage offices.

While this flight from the dollar is only a trickle now, it may be a warning that public confidence will not be preserved much longer by talk alone. The evidence, provided by tax referenda last fall that turned back large scale local spending plans, is another straw in the wind.

Earnest and vigorous as Federal Reserve credit and other policies may be, they do not come to grips with the basic problems involved. The fundamentals required include a sound plan to promptly terminate giveaway schemes at home and abroad, thus achieving a balanced budget and a redeemable currency. Difficult as this solution may seem now, it will never be easier.

Until these tough problems are faced, and effective action taken, no man can predict the future or the calamities that endanger us. Outside of the spiritual realm there is nothing more vital to the preservation of this nation than shoring up its financial foundations.

Those in Washington now obsessed with fear of Russian military power should take off the blinders that restrict their vision to our military posture. For, despite a shaky interlude of stability on cost-of-living indices, the dollar is still deteriorating. The war that America must wage and win now is to end the rotting of the dollar. On that front the fight has not even begun.

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Mr. Buffett served four terms in Congress, as Republican Representative for the 2nd Congressional District of Nebraska. He retired in 1952 and returned to private business. In the last Presidential nominating campaign, Mr. Buffett was active on the Taft committee. He contributed to HUMAN EVENTS on October 1, 1955, "Pocketbook Patriots — The Consequences of Foreign Aid."

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